



**VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT**

Partners for Better Communities

DHCD Budget Update

Senate Finance and Appropriations Committee
Economic Development & Natural Resources Subcommittee
January 21, 2020

Erik Johnston, Director
Department of Housing and Community Development

DHCD is committed to creating safe, affordable and prosperous communities to live, work and do business in Virginia.



- Virginia Housing Trust Fund
 - Affordable Housing Construction and Rehabilitation
 - Homeless Reduction Grants
- Eviction Prevention & Diversion Pilot Program
- Broadband
 - Virginia Telecommunication Initiative (VATI)

The Virginia Housing Trust Fund (VHTF)

- One of the Commonwealth's most proven & effective tools for assisting local and regional efforts in creating housing affordability and homelessness reduction solutions
- Governor's proposed budget would bring \$84 million total investment over three years (Current funding is \$7 million annually)

Total Funding Each Fiscal Year with Introduced Budget Amounts		
FY2020	FY2021	FY2022
\$14,000,000	\$30,000,000	\$40,000,000

Virginia Housing Trust Fund Investment will leverage \$1.7 Billion, increase the supply of affordable housing for vulnerable populations, and reduce homelessness

- 80% Competitive loan (construction) = up to \$67,200,000
 - Approximately 80-84 affordable housing construction projects averaging \$800,000 in loan awards per project. Each project will contribute from 5 to 100 affordable units for special needs populations such as seniors, the disabled, formerly homeless individuals and people requiring permanent supportive housing such as individuals with serious mental illness
 - **Based on average leverage of \$26 for every \$1 of VHTF invested in the last four years, the increase may leverage more than \$1.7 billion in additional affordable housing funding**
- 20% Homeless Reduction Grants = Up to \$13.72 million in grants
 - Approximately 2,599 households will be rapidly re-housed and approximately 523 persons will receive services in permanent supportive housing

Competitive Loans 2018-19

- 29 Applications
- \$ 16,375,000 requested
- \$ 7,845,000 awarded
- \$ 73,500,000 leveraged
- 13 projects funded/ 1,226 units

Homeless Reduction Grants 2018-19

- 30 Applications
- \$2,263,685 requested
- \$1,400,000 was appropriated and \$2,200,000 awarded with the additional funding in the Governor's caboose budget
- 13 awards made with appropriated funds and 16 additional awards made with caboose budget funding (plus \$100,000 for Petersburg Homeless Youth Pilot)

Housing & Health: Virginia Housing Trust Fund Investment is Coordinated with Health Resources to Meet State Housing Priorities and Local Needs

- Interagency effort to ensure housing investments are coordinated with complementary request for increased funding for Department of Behavioral Health and Developmental Services' (DBHDS) permanent supportive housing services and rental subsidies in Governor's Budget
- Priority focus on individuals with intellectual and developmental disabilities (ID/DD), chronically homeless and seriously mentally ill

Eviction Prevention and Diversion Pilot Program

- DHCD research confirms that eviction prevention and diversion programs reduce the rate of evictions
- The proposed pilot program will enable local or regional partners to apply for assistance through a competitive process to implement prevention and/or diversion programs to help cover the costs associated with a potential or pending eviction with the goal to prevent the eviction from occurring.

Introduced Budget Amounts	
FY2021	FY2022
\$3,300,000	\$3,300,000

- \$3,000,000 – Each year for financial assistance to tenants to offset back rent and any associated late fees; creating local pilot data collection model and to support organizations administering the pilot program.
- \$300,000 – Each year supports two FTEs at DHCD responsible for: developing and managing the pilot program; carrying out the day-to-day activities of the program; coordinating meetings at the local and state levels; providing technical support of pilot sites; monitoring pilot sites; collecting and analyzing data; developing reports; etc.

Prevention

- Interventions that prevent a tenant from receiving an unlawful detainer (UD) in the first place
 - Examples Include:
 - Emergency Rental Assistance
 - Affordable Housing Resources
 - Financial Management/Counseling
 - Landlord-tenant Mediation

Diversion

- Interventions that prevent a tenant from receiving an eviction judgement after receiving an unlawful detainer (UD)
 - Examples include:
 - Legal Representation and Resources
 - Emergency Rental Assistance (post UD)
 - Landlord-Tenant Mediation/Payment Plans

Virginia Telecommunications Initiative (VATI)

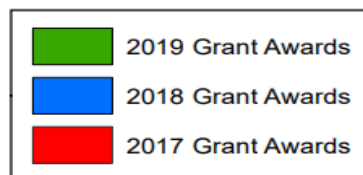
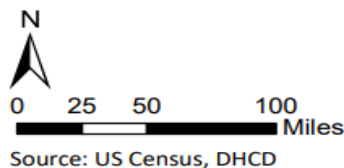
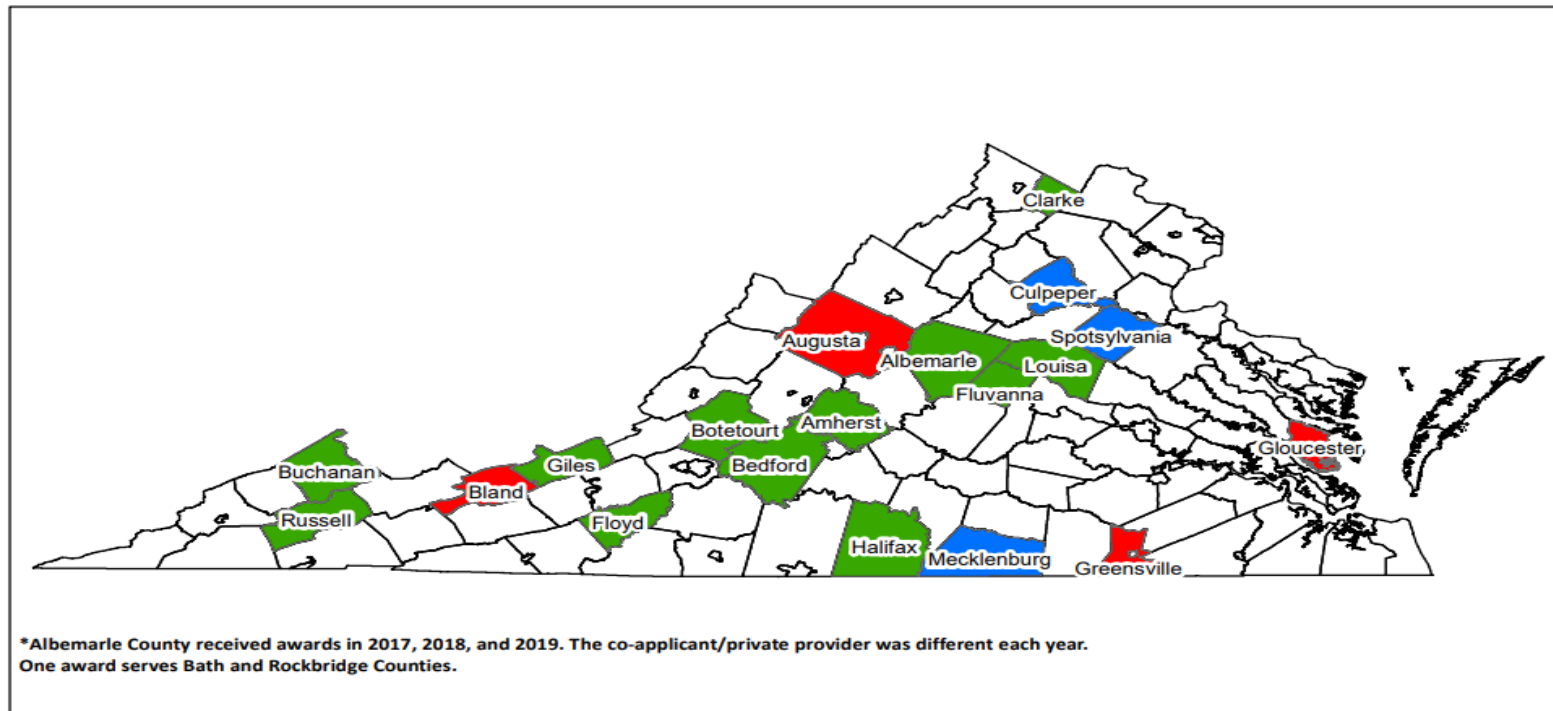
Introduced Budget Amounts	
FY2021	FY2022
\$35,000,000	\$35,000,000

- Currently \$19 million annually, Governor's introduced budget increases by \$16 million annually
- The VATI program, administered by the Department of Housing and Community Development (DHCD), funds public-private partnerships to supplement broadband infrastructure construction costs to extend service to areas not served by a broadband provider.
- VATI funds one-time capital improvement projects to build last-mile broadband to unserved communities.
- The Governor's proposed budget this year also includes merger of Center For Innovative Technology broadband planning staff into DHCD Broadband Office.

Virginia Telecommunication Initiative (VATI)

- To date, VATI has awarded \$6.7 million to 18 localities, connecting 17,000 homes, businesses and community anchors. VATI's latest \$19 million round, will be announced in the coming weeks and is expected to connect tens of thousands more Virginians

2017-2019 VATI Grant Awards



1/2/2020



FY2017-FY2019

- 61 Applications
- \$ 17,800,000 requested
- \$ 6,700,000 awarded
- \$ 10,000,000 leveraged
- 17,311 connections
- 19 projects awarded across 18 localities

FY2020

- 39 Applications
- \$ 43,639,630 requested
- \$ 18,326,196 to be awarded